

Press Releases

May 31, 2007

OTS 07-038 - Agencies Issue Final Illustrations of Consumer Information for Nontraditional Mortgage Products

Office of Thrift Supervision

FOR RELEASE at 3:00 P.M. EDT

For further information

Thursday, May 31, 2007

Contact: Kevin Petrasic

OTS 07-038

202/906-6677

Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of the Comptroller of the Currency
Office of Thrift Supervision**

Agencies Issue Final Illustrations of Consumer Information for Nontraditional Mortgage Products

The federal bank, thrift, and credit union regulatory agencies on Thursday issued final illustrations of consumer information intended to help institutions implement the consumer protection portion of the Interagency Guidance on Nontraditional Mortgage Product Risks that the agencies adopted October 4, 2006. The consumer protection section of the guidance sets forth recommended practices to ensure that consumers have clear and balanced information about nontraditional mortgages before choosing a mortgage product or before selecting a payment option for an existing mortgage.

The illustrations consist of (1) a narrative explanation of nontraditional mortgage products, (2) a chart comparing interest-only and payment option adjustable rate mortgages (ARMs) to a traditional fixed-rate loan, and (3) a table that could be included with monthly statements for a payment option ARM showing the impact of various payment options on the loan balance.

Institutions are not required to use the illustrations. They may choose to use the illustrations, provide information based on the illustrations, or provide the consumer information described in the guidance in an alternate format.

To assist institutions that wish to use the illustrations, the agencies will be posting each of the illustrations on their respective web sites in a form that can be downloaded and printed for easy reproduction. The final document, Illustrations of Consumer Information for Nontraditional Mortgage Products, is attached.

Attachment - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-38a.pdf>

Illustrations and Template - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-38b.pdf>

Media Contacts

Federal Reserve	Deborah Lagomarsino	(202) 452-2955
FDIC	David Barr	(202) 898-6992
NCUA	Cherie Umbel	(703) 518-6330
OCC	Kevin Mukri	(202) 874-5770
OTS	Kevin Petrasic	(202) 906-6677

###

The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.